

**RULES  
OF  
TENNESSEE STUDENT ASSISTANCE CORPORATION**

**CHAPTER 1640-1-17  
TENNESSEE TEACHING SCHOLARS PROGRAM**

**TABLE OF CONTENTS**

1640-1-17-.01	Introduction	1640-1-17-.05	Loan Amount and Terms
1640-1-17-.02	General	1640-1-17-.06	Appeals Procedure
1640-1-17-.03	Eligibility	1640-1-17-.07	Precedence of the Act
1640-1-17-.04	Method of Selection		

**1640-1-17-.01 INTRODUCTION.**

- (1) These rules implement the Tennessee Teaching Scholars Program authorized by the Tennessee Teaching Scholars Act, T.C.A., Title 49, Chapter 4, Section 212 in Public Chapter 392 of the 1995 Public Acts, hereinafter, referred to as the Act. The Act provided for a forgivable loan program for exemplary students who desire to enter the teaching force in Tennessee. Participation in the program is limited to college juniors, seniors, and post-baccalaureate candidates admitted to teacher education programs in Tennessee. Persons receiving program awards who become public school teachers in Tennessee shall receive forgiveness of the program award balance based on one (1) year's teaching service for each year an award was made.
- (2) The Tennessee Student Assistance Corporation (TSAC) is assigned to administer the program under the regulations and criteria developed jointly with the State Board of Education (SBE) and the Tennessee Higher Education Commission (THEC). TSAC shall provide the Department of Education with rosters of program participants completing teacher education programs including their areas of teaching endorsements. The department shall use these rosters for assisting in job placement and in considering waiver requests from local education agencies.

**Authority:** T.C.A. §§49-4-204, 49-4-212, and Public Acts of 1995, Chapter 392. **Administrative History:** Original rule filed February 7, 1996; effective June 28, 1996. Amendment filed February 3, 2005; effective June 28, 2005.

**1640-1-17-.02 GENERAL.**

- (1) Definitions. As used in these regulations (Chapter 1640-1-17):
  - (a) "Plan of study" is a plan of enrollment not to exceed four academic years (the equivalent of eight semesters) within which the applicant may complete requirements for licensure in an eligible field of study. The plan is transferable among Tennessee higher education institutions provided such transfer is approved by the receiving institution and can be completed within the four-year time period calculated from the date of original award.
  - (b) "Grace period" is a period of fifteen months that shall begin on the date the student completes his/her plan of study, in which repayment is not required and interest shall not accrue on the loan provided the recipient complies with the requirement to teach in a Tennessee public school immediately following the grace period. If the recipient does not fulfill his/her obligation to teach in accordance with the Act, interest will accrue from the date of original award.
  - (c) "Repayment period" is a period of not more than eight years in which the loan will be repaid and shall begin at the end of the grace period, or whenever TSAC determines that the recipient has not complied with the requirements of the Act.
  - (d) "A full year of teaching service" shall be two semesters of full-time teaching.

(Rule 1640-1-17-.02, continued)

- (e) “Satisfactory progress” is a standard of progress toward completion of the pursued plan of study during which the student maintains at least a 2.75 cumulative grade point average (G.P.A.) on a 4.0 scale or, if required by the teacher education program at the institution attended, a higher G.P.A.
  - (f) “Full-time teaching” will be determined on the basis that a minimum of 50% of the recipient’s weekly workload is devoted to teaching, exclusive of administrative, counseling or other assigned duties.
  - (g) “The Act” is T.C.A. §49-4-212 as found in Public Chapter 392 of the Public Acts of 1995.
  - (h) “Eligible schools” in which recipients may teach for credit toward their loans are those public schools approved by the State Board of Education for teaching at the prekindergarten, kindergarten, elementary, or secondary level in Tennessee.
  - (i) “A Statement of Intent” is a signed statement from a candidate certifying his or her intent to become a teacher in a public school system of Tennessee at the prekindergarten, kindergarten, elementary, and/or secondary level.
  - (j) “A Letter of Recommendation” is a letter provided by an official of a State-approved teacher education program to which the student has been admitted attesting to the student’s commitment to teaching and potential for success as a teacher.
  - (k) “Academic year” is a period of time, typically eight or nine months, and is composed of two semesters, three quarters, or two trimesters of instruction.
- (2) To be eligible for an award all undergraduate students must attend a Tennessee college or university on a full-time basis as determined by the institution’s written policies, excluding periods of internship/student teaching. During such periods undergraduate students must be enrolled at least half time, but may be enrolled less than full time if mandated by the written policies of the educational institution. Post-baccalaureate students must attend a Tennessee college or university on at least a half-time basis as determined by the institution’s written policies.
  - (3) Funds received from this program are considered financial assistance for purposes of determining student aid eligibility under programs authorized by Title IV of the Higher Education Act of 1965, as amended.
  - (4) All such loans shall be evidenced by notes payable to the Tennessee Student Assistance Corporation (TSAC).
  - (5) Any applications received or approved shall be subject to the availability of funds.
  - (6) Applications must be submitted on TSAC-approved forms by April 15th, which immediately precedes the academic year for which the student is applying. The April 15 cut-off date may be extended by the TSAC Executive Director should it be determined necessary for utilizing all available funds.

**Authority:** T.C.A. §§49-4-204, 49-4-212, and Public Acts of 1995, Chapter 392. **Administrative History:** Original rule filed February 7, 1996; effective June 28, 1996. Amendment filed February 3, 2005; effective June 28, 2005.

### **1640-1-17-.03 ELIGIBILITY.**

- (1) The successful applicant must meet all the following criteria:
  - (a) Be a citizen of the United States and a resident of Tennessee.

(Rule 1640-1-17-.03, continued)

- (b) Be admitted to a State-approved teacher education program at an accredited institution of higher education in Tennessee.
- (c) Not be a licensed teacher.
- (d) Submit to TSAC a signed statement of intent to teach full time one year for each year an award is received in a Tennessee public prekindergarten, kindergarten, elementary, or secondary school.
- (e) Submit to TSAC a Letter of Recommendation from an official of a State-approved teacher education program to which the student has been admitted.
- (f) Not accept any other financial aid that carries with it a conflicting service obligation. For the purposes of this program, participation in the Minority Teaching Fellows Program shall be considered as accepting aid which carries a conflicting service obligation. Prior recipients of the Teacher Loan/Scholarship Program and the Teacher Loan Program for Disadvantaged Areas of Tennessee may be eligible for the Tennessee Teaching Scholars Program, although they may not receive funds from both programs during any one academic year.
- (g) Submit a complete application to TSAC by the established deadline on a TSAC-approved application form submitted through the teacher education department of the student's institution of higher education.
- (h) Submit to TSAC copies of all college transcripts.
- (i) Agree to inform TSAC in writing when any significant change in his or her status occurs and provide documentation to support it. This shall include, but is not limited to changes in name, address, and enrollment. After obtaining teacher licensure, the recipient shall also inform TSAC when he or she has obtained a teaching position, changed teaching assignments, or terminated teaching service.
- (j) Shall not owe a refund or repayment on any grant, and is not in default on any loan, received at any postsecondary institution, under the provisions of Title IV of the Higher Education Act of 1965, as amended.

**Authority:** T.C.A. §§49-4-204, 49-4-212, and Public Acts of 1995, Chapter 392. **Administrative History:** Original rule filed February 7, 1996; effective June 28, 1996.

#### **1640-1-17-.04 METHOD OF SELECTION.**

- (1) Each year that funds are available, preliminary ratings of applications will be made by the TSAC staff based upon established criteria and rankings established by the Selection Committee, composed of representatives of the State Board of Education, the State Department of Education, the Tennessee Higher Education Commission, a member of the Tennessee Association of Student Financial Aid Administrators (TASF AA) from a postsecondary institution, and the Executive Director of TSAC or his/her designee. The Selection Committee will then review the top rated candidates to determine the final selections.
- (2) Until all qualified applicants from the higher priority group(s) who have submitted their applications by the deadline have been offered the loan, no applicants from a lower group may be considered for selection. The following priority groups have been established for this program.
  - (a) First priority shall be given to renewal applicants who have maintained a cumulative G.P.A. of at least 2.75 on a 4.0 scale, or higher if required by the teacher education program at the

(Rule 1640-1-17-.04, continued)

- student's institution of higher education. A new application must be submitted each year for which assistance is desired.
- (b) Second priority shall be given to non-teachers holding a bachelor's degree or higher who pledge to become teachers and who have at least a 2.75 cumulative G.P.A. on a 4.0 scale for the highest degree attained, or a cumulative G.P.A. of at least 2.75 on a 4.0 scale for graduate level studies provided they have completed at least twelve semester hours or the equivalent at the graduate level. A higher G.P.A. may be required if mandated by the teacher education program at the student's institution of higher education.
  - (c) Third priority shall be given to college juniors and seniors who possess a college cumulative G.P.A. of at least 2.75, or higher if required by the teacher education program at the student's institution of higher education.
- (3) The ranking of applicants must consider grade point average, minority status, and teacher shortages in subject areas. It may also include standardized test scores, evidence of commitment (experiences that would indicate an interest in teaching), and other such factors that shall be identified as relevant to meeting the goals and interests of the Act.

**Authority:** T.C.A. §§49-4-204, 49-4-212, and Public Acts of 1995, Chapter 392. **Administrative History:** Original rule filed February 7, 1996; effective June 28, 1996.

#### **1640-1-17-.05 LOAN AMOUNT AND TERMS.**

- (1) All loans shall be evidenced by notes payable to the Tennessee Student Assistance Corporation. The maximum award available to any student shall be established by the Board of Directors of the Tennessee Student Assistance Corporation. For less than full-time study (twelve semester hours), the amount of the award for one academic year shall be determined based upon the following per term class load:
  - (a) 6-8 credit hours - 50% of the academic year amount
  - (b) 9-11 credit hours - 75% of the academic year amount
- (2) Funds will be sent by warrant or Automated Clearing House (ACH) one term at a time to the institution's financial aid office or business office in the recipient's name. If the institution participates in ACH, the funds will be sent by direct deposit to the institution and the institution will be directed to deliver the funds to the recipient. Prior to disbursing the warrant or ACH to the student, the institution shall ensure that the recipient is enrolled in a teacher education program for the number of hours for which the warrant or ACH is issued for the appropriate academic term, and is making satisfactory progress in accordance with the Act.
- (3) The awards may be transferred from one eligible institution of higher education to another providing that a TSAC-approved transfer form is submitted to TSAC.
- (4) Cancellation
  - (a) For each year of creditable full-time teaching service, as defined in these regulations, the recipient shall receive cancellation credit of one academic year's award (the equivalent of two semesters) toward repayment of the loan. If a recipient teaches in an eligible school that is high priority or on warning status as designated by the State Department of Education or the State Board of Education, the recipient's obligation will be cancelled at a rate of one and one-third (1 1/3) of the total annual award.

(Rule 1640-1-17-.05, continued)

- (b) Cancellation shall apply only if the recipient completes a plan of study leading to teacher licensure.
  - (c) A grace period of fifteen months will be granted to allow the recipient the opportunity to secure employment to begin cancellation credit. When a recipient has obtained a creditable teaching position, some or all of the grace period may be waived at his or her written request.
  - (d) Recipients who believe that they are employed in teaching positions, which qualify them for cancellation credit, must notify TSAC of that teaching status. Those individuals TSAC has determined to be in a creditable full-time teaching position shall be granted a postponement on repayment to allow them the opportunity to complete a full year of teaching. Upon completion of said year of teaching, cancellation credit will be applied upon receipt of the verification of such service.
  - (e) Fractions of a year may be credited in one semester or one-half (1/2) year increments toward cancellation for recipients who begin or end full-time teaching in the middle of an academic year in a Tennessee public school. Cancellation credit will then be applied upon receipt of verification of the completion of such service.
  - (f) The debt shall be canceled in case of the death of the recipient upon documentation deemed acceptable by TSAC.
  - (g) If a recipient is determined to be totally and permanently disabled under the standards established by T.C.A., Title 8, Chapter 36, Part 5, for determining disability for members of the Tennessee Consolidated Retirement System, the outstanding debt shall be canceled. A recipient is not considered totally and permanently disabled on the basis of a condition that existed prior to his/her application unless the recipient's condition has substantially deteriorated since he/she submitted the application. If at any time subsequent to an initial determination of disability the recipient's condition improves to the point where a total and permanent disability no longer exists, TSAC may reinstate any outstanding debt previously canceled.
  - (h) The loan may not be discharged in a bankruptcy filed during the first seven years after the loan first becomes due (exclusive of any periods of deferment or other authorized suspension of the repayment period).
- (5) Repayment
- (a) The loan must be repaid should the recipient choose not to honor the terms and conditions of the loan agreement. Repayment will include the full amount of the loan funds received plus interest accrued from the date of each disbursement of the loan, and shall be based upon a nine percent per annum interest rate calculated from the date of original award. Repayment may be in whole or in monthly installments of at least fifty dollars over a period of not more than eight years from the end of the grace period. Payments of less than the amount required to amortize the loan within eight years may be made only if the recipient documents to TSAC's satisfaction his/her inability to make payments of that amount. All interest shall be based upon the unpaid balance of the loan. The accrued interest may be capitalized.
  - (b) Repayment for recipients who complete the plan of study shall begin on the first day of the month following the end of the grace period. Interest shall begin to accrue on September 1 after completion of the program.
  - (c) Repayment for recipients who fail to complete the plan of study shall begin on the first day of the month after TSAC has determined that the student is no longer enrolled in a teacher education program or other failure to comply with the terms of the agreement. Interest shall begin to accrue immediately after termination of the award.

(Rule 1640-1-17-.05, continued)

- (d) Repayment of principal and interest will be prorated to reflect the portion of the teaching obligation not completed. Such repayment shall begin on the first day of the month after TSAC has determined that the recipient's creditable teaching service has terminated. Repayment of the non-canceled portion of the loan may be made in whole or in monthly installments over the remaining months of the eight-year repayment period. All interest shall be based upon the unpaid balance of the loan. Accrued interest may be capitalized.
  - (e) By statute (T.C.A. §49-4-404), the State Attorney General assumes the legal responsibility for enforcing the collection of such indebtedness against the individual.
  - (f) If a borrower issues a check, draft, warrant or electronic funds transfer, which is subsequently returned to TSAC for reason of insufficient funds, a stop payment order by the issuer, or any other reason, the payment to which these funds was applied shall be reversed on the borrower's account and interest shall continue to accrue from the date of the last valid payment.
- (6) Repayment of principal may be deferred, but interest shall accrue, during any period while the recipient is enrolled at least half time at an accredited institution of higher learning. The recipient may also be eligible for deferment during any period he/she is enrolled part time in a State-approved teacher education program at a Tennessee institution of higher education, and is making satisfactory progress toward teacher licensure in accordance with the institution's written policy, or in other extenuating circumstances as determined by the Executive Director of TSAC. To be eligible for deferment the recipient must request a deferment in writing and complete a TSAC-approved deferment form on a semi-annual basis.

**Authority:** T.C.A. §§49-4-204 and 49-4-212. **Administrative History:** Original rule filed February 7, 1996; effective June 28, 1996. Amendment filed June 30, 2000; effective October 28, 2000. Amendment filed August 6, 2002; effective December 27, 2002. Amendments filed February 3, 2005; effective June 28, 2005.

#### **1640-1-17-.06 APPEALS PROCEDURE.**

- (1) Generally, the rulings of the program's administrator shall apply.
- (2) An individual who believes that the ruling was not in accordance with the published regulations and the Act may appeal to the TSAC Executive Director for relief.
- (3) If the Executive Director does not rule in the favor of the complainant, the complainant may request a hearing before the TSAC Appeals Committee. The ruling of the Appeals Committee shall be the last administrative remedy.

**Authority:** T.C.A. §§49-4-204, 49-4-212, and Public Acts of 1995, Chapter 392. **Administrative History:** Original rule filed February 7, 1996; effective June 28, 1996.

#### **1640-1-17-.07 PRECEDENCE OF THE ACT.**

- (1) These regulations are subordinate to the Act and are intended to facilitate its implementation. Any portion of these regulations which are adjudicated as contrary to law are to be considered null and void. All other portions of these rules shall be severed therefrom and considered in full force.

**Authority:** T.C.A. §§49-4-204, 49-4-212, and Public Acts of 1995, Chapter 392. **Administrative History:** Original rule filed February 7, 1996; effective June 28, 1996.